Irregularities in the functioning of foreign banks

*77. SHRI KRISHNA KUMAR BIRLA:
SHRI KAMAL MORARKA:

Will the Minister of FINANCE be pleased to state:

(a) whether the Reserve Bank of India has noticed gross irregularities in the working of foreign banks;

(b) if so, what are the details of such violations;

(c) whether any action has been taken by Government against the foreign banks for not following the directives of Reserve Bank of India; and

(d) if so, what are the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI DALBIR SINGH): (a) and (b) Reserve Bank of India have reported that the inspection of some foreign bank branches in India has revealed certain procedural irregularities. The irregularities were in the area of credit management, internal control guidelines for regulation of foreign exchange business, and guidelines relating to portfolio management.

(c) and (d) Inspection reports pointing out irregularities are sent to foreign banks for necessary corrective action and the same are followed up with them. Chief Executives of these banks in India are also called for discussion by the RBI top management to impress upon them the necessity of regularising the deficiencies and also complying with RBI directives/instructions.

Setting up of a Free Port at Colachal in Kanyakumari

*78. SHRI M. VINCENT: Will the Minister of COMMERCE be pleased to state:

(a) whether it is a fact that Colachal in Kanyakumari district of Tamilnadu has been selected for setting up a free port;

(b) if so, what are the details thereof; and

(c) by when the free port would come up?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI P. CHIDAMBARAM): (a) to (c) Government is awaiting the report of the Advisory Committee constituted for making recommendation on the possible sites for locating a free port in India.

Non-Attainment of Sufficiency in Power Generation

*79. SHRIMATI BIJOYA CHAKRAVARTY: Will the Minister of POWER AND NON-CONVENTIONAL ENERGY SOURCES be pleased to state:

(a) what factors are responsible for the non-attainment of sufficiency in power generation in the country; and

(b) whether Government propose to give a directive to the State Governments to undertake the task of co-generation in industries on a continuing basis in view of the prevailing power shortage?

THE MINISTER OF STATE OF THE MINISTRY OF POWER AND NON-CONVENTIONAL ENERGY SOURCES (SHRI KALP NATH RAI): (a) and (b) One of the main reasons for insufficient generating capacity in the country is demand outstripping the supply. Although concerted efforts are being made to meet the rising demand of energy, shortages continue to persist.